

Amended and Restated
BYLAWS OF THE
SOUDERTON COMMUNITY DEVELOPMENT CORPORATION

Adopted **MMDDYYYY**

ARTICLE ONE - GENERAL

Section 1.01. Name

The name of this organization shall be the Souderton Community Development Corporation, D.B.A. Souderton Connects.

Section 1.02. Purposes

The Souderton Community Development Corporation (hereinafter, the "Corporation") is incorporated under, shall be governed by, and shall be operated in accordance with, the Pennsylvania Nonprofit Corporation Law of 1988, as amended (the "Corporation Law") for the following purposes:

- a. To help brand, market, and beautify Souderton and promote the common interests of its businesses through strategic attention to business and retail development, facilitation of cultural institution anchors, streetscape beautification, community special events, and other initiatives that improve the economic vitality of Souderton.
- b. To engage in any and all activities consistent with and in furtherance of the above purposes.

Section 1.03. Non-Profit Status

The Corporation is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue law). Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future federal tax code) or (b) by corporations, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code (or corresponding section of any future federal tax code.)

No substantial part of the activities of the Corporation shall involve attempting to influence legislation and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Souderton Connects is not intended to be a political, religious, or activist organization.

Section 1.04. Offices

The **Registered Office** of the Corporation in Pennsylvania shall be 31 W. Summit Street, Souderton, PA 18964, Montgomery County until otherwise established by an amendment of the articles or by the Board of Directors and a record of such change is filed with the Department of State in the manner provided by law.

The Corporation may also have **Other Offices** at such other places within or without Pennsylvania as the Board of Directors may from time to time appoint or the business of the Corporation may require.

Section 1.05. Fiscal Year

The fiscal year of the Corporation shall follow the calendar year.

Section 1.06. Nondiscrimination

The Corporation endorses a nondiscriminatory policy as to its operations such that the Corporation shall operate without regard to race, color, religion, national origin, or handicap.

Section 1.07. Amendment of By-Laws

These bylaws may be amended or repealed, or new bylaws may be adopted by a two-thirds vote of the Board of Directors at any duly organized or special meeting of the Board of Directors. Any change in these bylaws shall take effect when adopted unless otherwise provided in the resolution effecting the change. Proposed changes to the bylaws must be provided to directors at least ten (10) days in advance of the meeting upon which the amendment would be brought to a vote.

ARTICLE TWO - BOARD OF DIRECTORS

Section 2.01. Governance

Board Composition

The board of directors shall consist of a minimum of seven (7) and a maximum of thirteen (13) directors.

The board of directors shall be comprised of representatives as follows:

- One member representing the Souderton Borough Council
- A minimum of 60% of the Board members must be either BID stakeholders, employees of BID stakeholders, or an approved proxy. This 60% representation includes the Souderton Borough Council Board member

- The remaining Board members may be members elected at large

Elections to the Board

The Secretary shall present to the Board nominees for seats that are expiring or vacant. From among these nominees, the board shall elect new members or re-elect those eligible for re-election.

A simple majority vote of directors of the board though less than a quorum or sole remaining director is sufficient to elect new directors.

Each person elected to fill a vacancy shall be a director to serve for the balance of the unexpired term, and until a successor has been selected and qualified or until his or her earlier death, resignation, or removal.

Term of Office

Each elected director shall hold office for a maximum term of 3 years or until his or her earlier death, resignation, or removal.

No elected director may serve more than two (2) full consecutive elected terms. After one (1) year has lapsed following two consecutive, full-elected terms, a director is eligible for re-election to the board as provided in these bylaws.

The newly elected board members shall take office immediately following the close of the meeting at which they are elected.

Resignation

A director may resign at any time upon written notice to the Corporation. The resignation shall be effective upon receipt thereof by the Corporation or at such subsequent time as shall be specified in the notice of resignation.

Removal

The Board of Directors may declare vacant the office of a director who has been judicially declared of unsound mind or who has been convicted of an offense punishable by imprisonment for a term of more than one (1) year or if, within sixty (60) days after notice of his or her election, the director does not accept the office either in writing or by attending a meeting of the board of directors.

The Board of Directors will declare vacant the office of a director whose regularly scheduled Board meeting absences exceed the stated policy of the Board.

Vacancies

Vacancies, including, but not limited to, vacancies resulting from the death of a director, may be filled by a majority vote of the remaining directors of the board though less than a quorum, or by a sole remaining director. Each person elected to fill a vacancy shall serve for the balance of the unexpired term or until his or her earlier death, resignation, or removal.

Compensation

Directors shall serve as directors without compensation although a director may be reimbursed for expenses that have been pre-approved by the Board of Directors or may be hired to provide goods and services to the Corporation by a majority vote.

Directors' Ethics and Conflict of Interest Standards

Any director, individual, or any firm of which any director may be a member of any corporation or association of which any director may be an officer or director, or in which any director may be interested as the holder of any amount of its stock or otherwise, may be a party to, or be pecuniarily or otherwise interested in, any contract or transaction of the Corporation, and in the absence of fraud no contract or other transaction shall be affected or invalidated because of such relationship or interest; provided, however, that in the event that a director, or any firm of which a director is a member, or any corporation or association of which a director may be an officer or director, is so interested, such fact shall be disclosed or shall have been known to a majority of the Board of Directors of the Corporation. Any director of the Corporation who is also a director or officer of or interested in such other corporation, association, or firm may not be counted in determining the existence of a quorum at the meeting of the Board of Directors of the Corporation which shall authorize, ratify, or confirm any such contract or transaction, and may not vote thereat to authorize, ratify, or confirm any such contract or transaction.

Section 2.02. Powers

Unless otherwise provided by statute, all powers vested by law in the corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

A director shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a director, including duties as a member of any committee of the board upon which the director may serve, in good faith, in a manner the director reasonably believes to be in the best interests of the corporation and with such care, including reasonable inquiry, skill, and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a director shall be entitled to rely in good faith on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- (1) One (1) or more officers or employees of the corporation whom the directors reasonably believe to be reliable and competent in the matters presented.
- (2) Counsel, public accountants, or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person.

(3) A committee of the board upon which the director does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

A director shall not be considered to be acting in good faith if the director has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

In discharging the duties of their respective positions, the Board of Directors, committees of the board, and individual directors may, in considering the best interests of the corporation, consider the effects of any action upon employees and trainees, upon suppliers and customers of the corporation and all other pertinent factors. The consideration of those factors shall not constitute a violation of these bylaws.

Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a director, or any failure to take any action shall be presumed to be in the best interests of the corporation.

The term "Board of Directors" or "board," when used in any provision of these bylaws relating to the organization or procedures of or the manner of taking action by the Board of Directors, shall be construed to include and refer to any committee of the Board of Directors.

Section 2.03. Personal Liability of Directors

A director shall not be personally liable, as such, for monetary damages for any action taken, or any failure to take any action, unless:

- The director has breached or failed to perform the duties of his or her office under this section; and
- The breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness.

Protection from responsibility or liability of a director pursuant to any criminal statute, or the liability of a director for the payment of taxes pursuant to local, State, or Federal law shall not exist.

ARTICLE THREE - OFFICERS

Section 3.01. General

Composition

The officers of the Corporation shall be a President, Secretary, and Treasurer. In accordance with Commonwealth of Pennsylvania law, any number of offices may be held by the same person. All officers must be natural persons of full age.

- **President**

The President of the Organization shall attend all meetings of and be the presiding officer at all meetings of the Board of Directors. The President shall sign, execute, and acknowledge, in the name of the Corporation, deeds, mortgages, bonds, contracts or other instruments authorized by the board of directors; be a co-signer of checks, when necessary; and, in general, shall perform all duties incidental to the office of President and such other duties as from time to time may be assigned by the board of directors. The President is an ex-officio member of all committees. The President will appoint committee chairs. Additionally, the President will be responsible for overseeing the auditing of accounts on an annual basis.

- **Secretary**

The Secretary or Assistant shall attend all meetings of the Board of Directors and shall record all the votes of the directors and the minutes of the meetings of the Board of Directors in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the Corporation as required by law; and, in general, shall perform all duties incident to the office of secretary, and such other duties as may from time to time be assigned by the board of directors or the President. In cases of temporary absence, the succession shall be Vice President, Treasurer, and then Secretary. In the event that the elected President is unable to fulfill his/her term, the Secretary shall act as President until a special election can be held.

- **Treasurer**

The Treasurer or Assistant shall have or provide for the custody of the funds or other property of the Corporation; shall collect and receive or provide for the collection and receipt of monies earned by or in any manner due to or received by the Corporation; shall deposit all funds in his or her custody as treasurer in such banks or other places of deposit as the Board of Directors may from time to time designate; shall, whenever so required by the Board of Directors and by these bylaws, render an account showing all transactions as treasurer and the financial condition of the Corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the board of directors or the President. The Treasurer is the primary signatory of all checks or drafts, unless unavailable.

Election

The officers of the Corporation shall be elected annually by the Board of Directors and each such officer shall hold office for a term of 1 year or until his or her earlier death, resignation, or removal.

Term of Office

The President will serve a 1-year term while the Secretary and Treasurer will serve 2-year terms. If a Secretary or Treasurer candidate has less than 2 years remaining in their term on the Board, the Board will decide if a 1-year term extension is appropriate.

Each officer shall hold their office until the end of their term and a successor has been elected and qualified, or until his or her earlier death, resignation, or removal. No individual may be elected for more than 2 consecutive terms in any single office.

The newly elected officers shall take office immediately following the close of the meeting at which they are elected.

Resignations

An officer may resign at any time upon written notice to the board. The resignation shall be effective upon receipt thereof by the Corporation or at such subsequent time as may be specified in the notice of resignation.

Resigning as an officer does not necessarily signify a resignation from the board. Resigning from the board necessitates a separate mention in writing.

Removal

Any officer or agent of the Corporation may be removed by the Board of Directors with or without cause. The removal shall be without prejudice to the contract rights, if any, of any person so removed. Election or appointment of an officer or agent shall not of itself create contract rights. A two-thirds vote by the board of directors is required to remove an officer.

Vacancies

A vacancy in any office of an officer because of death, resignation, removal, disqualification, or any other cause, shall be filled by the board of directors for the unexpired portion of the term.

Annual Report of Changes in Officers

On or before April 30 of each year, if the Corporation has effected any change in its officers during the preceding calendar year, the Corporation shall file with the Department of State Corporation Bureau and/or Department of Revenue a statement setting forth:

- The name of the Corporation
- The post office address, including the street and number, if any, of its principal office
- The names and titles of the persons who are its principal officers

Section 3.02. Powers

All officers of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided by or pursuant to resolutions or orders of the board of directors or in the absence of controlling provisions in the resolutions or orders of the board of directors, as may be determined by or pursuant to these bylaws.

Section 3.03. Personal Liability

Standard of Care

Except as otherwise provided in the articles, an officer shall perform his or her duties as an officer in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill, and diligence, as a person of ordinary prudence would use under similar circumstances. A person who so performs his or her duties shall not be liable by reason of having been an officer of the Corporation.

Authority

All officers of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided by or pursuant to resolutions or orders of the board of directors or in the absence of controlling provisions in the resolutions or orders of the board of directors, as may be determined by or pursuant to these bylaws.

ARTICLE FOUR - MEETINGS

Section 4.01. Governance

Frequency of Meetings

- **Regular Meetings** - At least three (3) regular meetings of the board of directors shall be held at such time during each fiscal year and at such place as shall be designated from time to time by resolution of the Board of Directors.
 - Any items to be placed on the board's agenda or requests to address the board must be submitted to and received by the Corporation's President at least 48 hours before a regular meeting.
- **Special Meetings** Special meetings of the Board of Directors shall be held whenever called by the President or by three (3) or more of the directors.
 - Any items to be placed on the board's agenda or requests to address the board must be submitted to and received by the Corporation's President at least 48 hours before a special meeting.

Organization of Meetings

At every meeting of the Board of Directors, the President, or, in the case of a vacancy in the office or absence of the President, the Secretary, shall act as Chair of the meeting. As necessary, other elected officers of the Corporation may serve as the Chair of the board.

Place of Meetings

Meetings of the Board of Directors may be held at such place within or without Pennsylvania as the Board of Directors may from time to time appoint or as may be designated in the notice of the meeting.

Notice of Meetings

- **Regular Meetings** - Notice of a regular meeting of the Board of Directors need not be given.
- **Special Meetings**- Notice of every special meeting of the board of directors shall be given to each director by telephone or in writing at least 48 hours prior to the special meeting. Every such notice shall state the time and place of the meeting.
- **Action by Directors on Bylaws.** In the case of a regular or special meeting of the Board of Directors that has as one of its purposes action on the bylaws, written notice shall be given to each director that the purpose, or one of the purposes, of the meeting is to consider the adoption, amendment or repeal of the bylaws. There shall be included in, or enclosed with, the notice a copy of the proposed amendment or a summary of the changes to be effected thereby.

Quorum of and Action by Directors

A minimum of 60% of the directors in office of the Corporation shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the directors present and voting at a meeting at which a quorum is present shall be the acts of the board of directors.

Voting by Proxy

Voting by proxy is prohibited.

Voting In Lieu of Meeting

Any action required by the Board of Directors may be taken without a meeting, if all Directors receive notice of said proposed action in writing or by electronic transmission, and a majority of Directors consent thereto in writing or by electronic transmission. Response to the information shall constitute a waiver of notice requirements. The writing(s) or electronic transmission(s) shall be filed with the minutes of proceedings of the Board and maintained in the official files. The quorum requirement stands.

ARTICLE FIVE – COMMITTEES and ADVISORY COUNCILS

Section 5.01 Committees Generally

Composition

The Board of Directors or President may establish one or more committees. All committees created under these bylaws shall report to the Board of Directors. Any committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all of the powers and authority of the Board of Directors except that a committee shall not have any power or authority as to the following:

- The creation or filling of vacancies in the Board of Directors
- The adoption, amendment, or repeal of the articles of incorporation or these bylaws
- The amendment or repeal of any resolution of the Board of Directors

- Action on matters committed by a resolution of the Board of Directors to another committee of the Board of Directors

The Board of Directors may designate one or more directors as alternate members of any committee who may replace any absent or disqualified committee member at any meeting of the committee for the purposes of any written action by the committee. In the absence or disqualification of a committee member and alternate member or members of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may appoint another director to act at the meeting in the place of the absent or disqualified committee member.

Term

Each committee shall serve at the pleasure of the Board of Directors.

Executive Committee

An Executive Committee consisting of the organization's President, Secretary, and Treasurer shall be vested with all powers of the Board of Directors between meetings, subject, however, to the obligation to make full reports upon all action taken by such Committee, to the Board of Directors at its next meeting for such action thereon as to ratification, approval, rejection, or otherwise as the Board of Directors may see fit to take.

ARTICLE SIX - INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES

Section 6.01. Scope of Indemnification.

General Rule

The Corporation shall indemnify an indemnified representative against any liability incurred in connection with any proceeding in which the indemnified representative may be involved as a party or otherwise by reason of the fact that such person is or was serving in an indemnified capacity, including, without limitation, liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement, negligence, gross negligence or act giving rise to strict or products liability, except:

- where such indemnification is expressly prohibited by applicable law
- where the conduct of the indemnified representative has been finally determined by a court:
 - To constitute willful misconduct or recklessness within the meaning of 15 Pa.C.S. §§5713 and 5746 or any superseding provision of law sufficient in the circumstances to bar indemnification against liabilities arising from the conduct; or

- To be based upon or attributable to the receipt by the indemnified representative from the Corporation of a personal benefit to which the indemnified representative is not legally entitled; or
- To the extent such indemnification has been finally determined in a final adjudication to be otherwise unlawful

Partial Payment

If an indemnified representative is entitled to indemnification in respect of a portion, but not all, of any liabilities to which such person may be subject, the Corporation shall indemnify such indemnified representative to the maximum extent for such portion of the liabilities.

Presumption

The termination of a proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the indemnified representative is not entitled to indemnification.

Definitions

For purposes of this Article:

- "indemnified capacity" means any and all past, present, and future service by an indemnified representative in one or more capacities as a director, officer, employee, or agent of the Corporation, or, at the request of the Corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise
- "indemnified representative" means any and all directors and officers of the Corporation and any other person designated as an indemnified representative by the board of directors of the Corporation (which may, but need not, include any person serving at the request of the Corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise)
- "Liability" means any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed with respect to an employee benefit plan, or cost or expense, of any nature (including, without limitation, attorneys' fees and disbursements); and
- "proceeding" means any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the Corporation, a class of its security holders or otherwise.

Section 6.02. Proceedings Initiated by Indemnified Representatives

Notwithstanding any other provision of this Article, the Corporation shall not indemnify under this Article an indemnified representative for any liability incurred in a proceeding initiated (which shall not be deemed to include counter-claims or affirmative defenses) or participated in as an intervenor or amicus curiae by the person seeking indemnification unless such initiation of

or participation in the proceeding is authorized, either before or after its commencement, by the affirmative vote of a majority of the directors in office. This section does not apply to reimbursement of expenses incurred in successfully prosecuting or defending the rights of an indemnified representative granted by or pursuant to this Article.

Section 6.03. Advancing Expenses

The Corporation shall pay the expenses (including attorneys' fees and disbursements, subject, however, to Section 6.02) incurred in good faith by an indemnified representative in advance of the final disposition of a proceeding described in Scope of Indemnification or the initiation of or participation in which is authorized pursuant to Section 6.02 upon receipt of an undertaking by or on behalf of the indemnified representative to repay the amount if it is ultimately determined by a court that such person is not entitled to be indemnified by the Corporation pursuant to this Article. The financial ability of an indemnified representative to repay an advance shall not be a prerequisite to the making of such advance.

Section 6.04. Securing of Indemnification Obligations

To further effect, satisfy, or secure the indemnification obligations provided herein or otherwise, the Corporation may maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral or other fund or account, enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the Corporation, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the board of directors shall deem appropriate. Absent fraud, the determination of the board of directors with respect to such amounts, costs, terms, and conditions shall be conclusive against all security holders, officers, and directors and shall not be subject to voidability.

Section 6.05. Payment of Indemnification

An indemnified representative shall be entitled to indemnification within thirty (30) days after a written request for indemnification has been delivered to the secretary of the Corporation, subject, however, to Section 6.06.

Section 6.06. Procedure

As soon as practicable after receipt by an indemnified representative of notice of the commencement of any action, suit, or proceeding specified in this Article, the indemnified representative shall, if a claim with respect thereto may be made against the Corporation under this Article, notify the Corporation in writing of the commencement or threat thereof; however, the omission so to notify the Corporation shall not relieve the Corporation from any liability under this Article unless the Corporation shall have been prejudiced thereby or from any other liability which it may have to the indemnified representative other than under this Article. With respect to any such action as to which the indemnified representative notifies the Corporation of the commencement or threat thereof, the Corporation may participate therein at its own expense and, except as otherwise provided below, to the extent that it desires, the Corporation jointly with

any other indemnifying party similarly notified, shall be entitled to assume the defense thereof, with counsel selected by the Corporation to the reasonable satisfaction of the indemnified representative. After notice from the Corporation to the indemnified representative of its election to assume the defense thereof, the Corporation shall not be liable to the indemnified representative under this Article for any legal or other expenses subsequently incurred by the indemnified representative in connection with the defense thereof other than as otherwise provided below. The indemnified representative shall have the right to employ his own counsel in such action, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the indemnified representative unless: (i) the employment of counsel by the indemnified representative shall have been authorized by the Corporation; (ii) the indemnified representative shall have reasonably concluded that there may be a conflict of interest between the corporation and the indemnified representative in the conduct of the defense of such proceeding; or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action. The Corporation shall not be entitled to assume the defense of any proceeding brought by or on behalf of the Corporation or as to which the indemnified representative shall have reasonably concluded that there may be a conflict of interest.

Section 6.07. Contribution

If the indemnification provided for in this Article or otherwise is unavailable for any reason in respect of any liability or portion thereof, the Corporation shall contribute to the liabilities to which the indemnified representative may be subject in such proportion as is appropriate to reflect the intent of this Article or otherwise.

Section 6.08. Mandatory Indemnification of Directors, Officers, etc.

To the extent that an authorized representative of the Corporation has been successful on the merits or otherwise in defense of any action or proceeding referred to in 15 Pa.C.S. §§5741 or 5742 or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees and disbursements) actually and reasonably incurred by such person in connection therewith.

Section 6.09. Contract Rights; Amendment or Repeal

All rights under this Article shall be deemed a contract between the Corporation and the indemnified representative pursuant to which the Corporation and each indemnified representative intend to be legally bound. Any repeal, amendment or modification hereof shall be prospective only and shall not affect any rights or obligations then existing.

Section 6.10. Scope of Article

The rights granted by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification, contribution, or advancement of expenses may be entitled under any statute, agreement, vote of shareholders or disinterested directors or otherwise both as to action in an indemnified capacity and as to action in any other capacity. The indemnification,

contribution, and advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be an indemnified representative in respect of matters arising prior to such time and shall inure to the benefit of the heirs, executors, administrators and personal representatives of such a person.

Section 6.11. Reliance on Provisions

Each person who shall act as an indemnified representative of the Corporation shall be deemed to be doing so in reliance upon the rights provided by this Article.

Section 6.12. Interpretation

The provisions of this Article are intended to constitute bylaws authorized by 15 Pa.C.S. §§5713 and 5746.

ARTICLE SEVEN - NOTICE, WAIVERS, MEETINGS GENERALLY

Section 7.01. Manner of Giving Notice

Whenever written notice is required to be given to any person, it shall be given to such persons, either personally or by sending a copy thereof by email or first class mail, postage prepaid, to such person's address appearing on the books of the corporation, or, in the case of directors, supplied by such trustee to the Corporation for the purpose of notice.

Section 7.02. Waiver of Notice

- Written Waiver - Whenever any written notice is required to be given under the provisions of the Corporation Law, the articles, or these bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of the meeting.
- Waiver by Attendance - Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 7.03. Modification of Proposal Contained in Notice

Whenever the language of a proposed resolution is included in a written notice of a meeting required to be given under the provisions of the Corporation Law or the articles or these bylaws, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

Section 7.04. Exception to Requirement of Notice

Whenever any notice or communication is required to be given to any person under the provisions of the Corporation Law or by the articles or these bylaws or by the terms of any agreement or other instrument or as a condition precedent to taking any corporate action and communication with that person is then unlawful, the giving of the notice or communication to that person shall not be required.

Section 7.05. Action by Unanimous Consent.

Any action required by law or under the articles or these bylaws, or any action that otherwise may be taken at a meeting of either the members or the board of directors, may be taken without a meeting if a consent in writing, setting forth the action taken, is signed by all the persons entitled to vote with regard to the subject matter of the consent, and filed with the Secretary of the Corporation.

ARTICLE EIGHT – MISCELLANEOUS

Section 8.02. Contracts

- **General Rule** - The Board of Directors may authorize the delivery of any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.
- **Statutory Form of Execution of Instruments** - Any note, mortgage, evidence of indebtedness, contract or other document, or any assignment or endorsement thereof, executed or entered into between the Corporation and any other person, when signed by one or more officers or agents having actual or apparent authority to sign it, or by the President, Secretary or Treasurer of the Corporation, shall be held to have been properly executed for and in behalf of the Corporation, without prejudice to the rights of the Corporation against any person who shall have executed the instrument in excess of his or her actual authority.

Section 8.03. Interested Directors or Officers

- **General Rule** - A contract or transaction between the Corporation and one or more of its participants, directors, or officers or between the Corporation and another corporation, organization, joint venture, trust, or other enterprise in which one or more of its participants, directors, or officers are directors or officers or have a financial or other interest, shall not be void or voidable solely for that reason, or solely because the participant, director, or officer is present at or participates in the meeting of the board of directors that authorizes the contract or transaction, or solely because his, her or their votes are counted for that purpose, if:
 - The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors and the board authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors even though the disinterested directors are less than a quorum;

- the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the participants or directors entitled to vote thereon, if any, and the contract or transaction is specifically approved in good faith by vote of such participants or directors; or
- The contract or transaction is fair to the Corporation as of the time it is authorized, approved, or ratified by the board of directors or the participants.
- **Quorum** - Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board which authorizes a contract or transaction specified in Section 8.03.

Section 8.04. Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may approve or designate, and all such funds shall be withdrawn only upon checks signed per the financial policy the Board of Directors shall from time to time determine.

Section 8.05. Corporate Records

The Corporation shall keep complete and accurate books and records of account, minutes of the proceedings of the participants, directors, and committees, the original or a copy of its bylaws and all amendments thereto to date, and an original or duplicate participant register, showing the names, addresses, and other details of the participation of each. Any books, minutes, or other records may be in written form or any other form capable of being converted into written form within a reasonable time upon request. The records provided for in this Section shall be kept at either the registered office of the Corporation in Pennsylvania or at its principal place of business.

Section 8.06. Financial Reports

- **Contents** - The President and Treasurer shall present at the annual meeting of the Board of Directors a report showing in appropriate detail the following:
 - The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year immediately preceding the date of the report
 - The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of this report
 - The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation
 - The expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation
 - The number of participants as of the date of the report, together with a statement of increase or decrease in participation over the past year, and a statement of the place where the names and addresses of the current participants may be found

- **Preparation** - The financial statements shall be prepared on the basis of generally accepted accounting principles if the Corporation prepares financial statements for the fiscal year on that basis for any purpose. Statements that are audited or reviewed by a public accountant shall be accompanied by the report of the accountant; in other cases, each copy shall be accompanied by a statement of the person in charge of the financial records of the Corporation:
 - Stating a reasonable belief as to whether or not the financial statements were prepared in accordance with generally accepted accounting principles and, if not, describing the basis of presentation.
 - Describing any material respects in which the financial statements were not prepared on a basis consistent with those prepared for the previous year.
- **Filing** - The annual report shall be filed with the minutes of the meetings of the board of directors.

Section 8.07. Dissolution

Upon dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation shall be distributed to such associations, organizations or corporations organized and operated exclusively for charitable, religious, scientific or educational purposes as shall at that time qualify as exempt organizations under Section 501(c)(3) of the Code, as the Board of Directors shall determine. No part of the earnings of this Corporation shall inure to the benefit of any director, member, trustee, or officer of this corporation or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes); and no such person shall be entitled to share in the distribution of any of the corporate assets of this Corporation upon dissolution.

Section 8.08. Filing

These bylaws, and any amendments thereof, shall be filed with the Pennsylvania Department of State or other appropriate state agency to the extent required by Pennsylvania law.

DEFINITIONS

BID Stakeholder - A BID stakeholder is a business or property owner of an assessed property as established in the most recent Souderton BID Final Plan under Service Area and Eligible Properties.